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Press Release

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ATTORNEY GENERAL DARRELL MCGRAW WARNS CONSUMERS ABOUT GROUP CLAIMING TO AWARD FEDERAL GRANT MONEY

Attorney General Darrell McGraw today warned consumers to beware of callers fraudulently claiming to be representatives of the United States Government or groups assisting the federal government with grant distribution. Such groups have been calling West Virginia residents and asking them for their checking account numbers to debit a "one time processing fee" for which they will then direct deposit "federal grant money" at a later date. Some consumers have received email communications making similar claims.

In one such scam, a caller identifies himself as a representative of Federal Research Funding. This person already has the victim's identifying information and the bank routing number, or numerical address for the consumer's bank. The caller tells the victim that he needs the victim's checking account number so that he can debit a "processing fee" from the account; then the "grant money" will be direct deposited into the account at a later date. According to the caller, this is totally free money from the federal government, to be used in any way, without repayment. The scamster also gives the victim a toll-free number to call, 1-800-551-7099 or 1-866-559-6389.

Earlier this summer, the Attorney General issued a press release warning consumers of a similar scam using the same 1-800 number. In that scam, flood victims received calls from a person who identified himself as a representative of Federal Emergency Management Agency (FEMA). The scamster asked the flood victims to authorize electronic withdrawal of a one-time processing fee in order to receive FEMA money that would not have to be repaid. When the victim called that number no one answered; however, those who called the number received additional phone calls from the scam artists.

After issuing that press release, the Attorney General's office received calls from consumers in other parts of the country who received similar phone calls using the same 1-800 number. A detective from Illinois reported that an elderly person received a call offering an \$8,000 good citizenship award for a \$249 processing fee. A Washington consumer reported a call offering free government money for a \$249 processing fee. A Texas consumer received a call offering government grants for a processing fee. A representative of the United States Department of Education reported that scamsters using this same toll-free number were calling Massachusetts residents offering educational grant money for a processing fee. At least two federal agencies are investigating the scams.

Attorney General Darrell McGraw warns, "Giving out banking account numbers may result in unauthorized withdrawals from the consumer's account. It may also lead to identity theft. Consumers should be wary of giving out personal information or bank account numbers to anyone who does not show proof of his identity." Consumers whose accounts have had such unauthorized withdrawals should contact the Attorney General's Consumer Protection Division to file a complaint.

For more information about these activities, or to obtain a consumer complaint form, contact Attorney General McGraw's Consumer Protection Division by calling 1-800-368-8808.

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